****** SECRET ****

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TO AMCONSUL JERUSALEM

S E C R E T SENSITIVE EXCLUSIVELY EYES ONLY

25X1

TOHAK 286

PLEASE DELIVER TO BREMER/RODMAN FOR THE SECRETARY.

MAY 22,1974

TD: HENRY A. KISSINGER

FROM: BRENT SCOWCROFT

RUSH HAS SENT IN A REPORT ON THE PROGRESS IN DUR NEGOTIATION OF A SUMMIT ENERGY AGREEMENT WITH THE USSROUR ORIGINAL PROPOSAL HAD TWO CENTRAL ELEMENTS -- AN EXCHANGE OF INFORMATION ON ENERGY PRODUCTION, DEMAND, RESERVE, AND TRADE; AND COOPERATION ON ENERGY RED IN CERTAIN AREAS NOT INCLUDING OIL AND GAS EXTRACTION TECHNOLOGY. WE ALSO PROPOSED TO INCORPORATE IN THE AGREEMENT SOME ENERGY RED WORK THAT IS PLANNED BUT NOT YET EXECUTED UNDER THE SET BILATERAL ("REPACKAGING").

MORI/CDF C03345659

THE SOVIETS ARE PROPOSING, AS A COUNTER, (1) THAT THE AREAS OF INFORMATION EXCHANGE BE LIMITED TO FORECASTING METHODOLOGY AND TO THE COOPERATIVE PROJECTS THEMSELVES, (2) THAT THE TECHNOLOGY COLLABORATION FOCUS CONSIDERABLE EFFORT ON DIL AND GAS, AND (3) THAT WE NOT TRANSFER THE SET PROJECTS TO THE ENERGY AGREEMENT.

State Dept. review completed

THE SOVIET PROPOSAL IS TROUBLESOME SINCE (1) WITHOUT
THE INFORMATION EXCHANGE WE WILL HAVE NO QUID PRO QUO TO BALANCE INSTRUCTIONS APPLY
THE TECHNOLOGY COOPERATION WHICH WOULD FAVOR THEM (AND
POSSIBLY, THEREFORE, BE A SOURCE OF SOME CONGRESSIONAL
CRITICISM), AND (2) OIL AND GAS TECHNOLOGIES ARE OFTEN COMMERCIALLY
SENSITIVE AND LARGELY BEYOND THE USG'S ABILITY TO TRANSFER
EVEN IF WE WERE SO INCLINED. WE STILL BELIEVE REPACKAGING

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***** S E C R E T ****** COPY

TO BE A GOOD IDEA IN ORDER TO HAVE AS COMPRÉHENSIVE AN AGRÉEMENT AS POSSIBLE.

THE SOVIETS HAVE BEEN INFORMED THAT THEIR FORMULATION GIVES US SUBSTANTIVE AS WELL AS PRESENTATIONAL PROBLEMS. IT IS ANTICIPATED A U.S. TEAM, HEADED BY AMBASSADOR STOESSEL, WILL BE INVITED TO MEET IN MOSCOW NEXT WEEK FOR FURTHER NEGOTIATION.

RUSH PROPOSES THAT IN THE NEXT MEETING WE SHOULD (1) CONTINUE TO PUSH FOR A BROAD INFORMATION EXCHANGE ON ENERGY, (2) SEEK A FORMULATION OF COOPERATION ON FOSSIL FUELS WHICH IS NOT SPECIFIC REGARDING PARTICULAR PROGRAMS, AND FAILING THAT, ADD SEVERAL MORE SPECIFIC PROJECTS TO DIMINISH THE PROMINENCE OF OIL AND GAS PRODUCTION TECHNOLOGY; AND (3) URGE REPACKAGING BUT, IF UNSUCCESSFUL, BE PREPARED TO ADD SOME NEW BUT LESS WELL DEVELOPED AREAS OF COOPERATION IN NON-CONVENTIONAL FORMS ON ENERGY (SYNTHETIC FUELS, HYDROGEN, PETROCHEMICAL FEED) TO GIVE THE AGREEMENT GREATER BREADTH.

CHUCK COOPERS WITH STATE CONCURENCE PROPOSES THE FOLLOWING AMPLIFICATIONS TO OUR NEGOTIATING POSITION:

- -- ASSUMING THE SOVIETS AGREE TO AN INFORMATION EXCHANGE, IF MIGHT BE DESIRABLE TO SEEK TO ESTABLISH IN THE AGREEMENT A MECHANISM FOR THE EXCHANGE. A WORKING GROUP OF THE JOINT COMMITTEE DEVOTED TO THE FUNCTION (AS IN THE AGRICULTURAL AGREEMENT) WOULD BE ONE POSSIBILITY.
- -- WE SHOULD MAKE EVERY EFFORT TO LIMIT THE DISCUSSION OF DIL AND GAS TO A BROAD STATEMENT, AND NOT BECOME SPECIFIC AS TO THE TYPES OF COOPERATION ENVISAGED. IT SHOULD BE LEFT TO THE JOINT COMMITTEE TO DEVELOP SENSIBLE PROGRAMS.
- -- WE SHOULD GO AS FAR AS THE SOVIETS ARE WILLING IN BRINGING ALL EXISTING COOPERATIVE ENERGY PROJECTS UNDER THIS AGREEMENT.
- -- BECAUSE OF OUR PRESENT UNCERTAINITY CONCERNING THE ATTAINABLE SCOPE OF THE AGREEMENT, AND ALSO BECAUSE OF THE REDRGANIZATION OF THE ENERGY AGENCIES UNDERWAY IN OUR GOVERNMENT, IT IS PREMATURE TO NAME DUR EXECUTIVE AGENT. THIS ASSIGNMENT SHOULD BE LEFT OPEN FOR THE NEXT FEW MONTHS.

SUBJECT TO YOUR APPROVAL I WILL ISSUE INSTRUCTIONS IN YOUR NAME TO THE U.S. DELAGATION APPROVING RUSH'S RECOMMENDATIONS AND FOLDING IN COOPER'S AS DUTLINED ABOVE.

WARM REGARDS.

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